

MEMORIAL RESOLUTIONS

S.R. 378 - By Senator Adams: Memorial resolution for Marvin Kenneth Hancock.

S.R. 382 - By Senator Adams: Memorial resolution for John Zeigler.

WELCOME AND CONGRATULATORY RESOLUTIONS

S.R. 379 - By Senators Doggett and Farabee: Extending congratulations to Sister Marie Andre Walsh of St. Edward's University.

S.R. 380 - By Senator Santiesteban: Extending congratulations to Mrs. Maurice (Ione) Kubby.

S.R. 381 - By Senator Harrington: Extending welcome to Mr. and Mrs. Neal Miller and Mrs. Virginia Lee Cameron.

S.R. 383 - By Senator Clower: Extending welcome to Robert W. Noble, M.D.

ADJOURNMENT

On motion of Senator Aikin the Senate at 12:37 o'clock p.m. adjourned until 11:00 o'clock a.m. Monday, April 7, 1975.

FORTY-EIGHTH DAY
(Monday, April 7, 1975)

The Senate met at 11:00 o'clock a.m., pursuant to adjournment, and was called to order by the President.

The roll was called and the following Senators were present: Adams, Aikin, Andujar, Braecklein, Brooks, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Sherman, Snelson, Traeger and Williams.

Absent-excused: Clower, McKinnon and Schwartz.

A quorum was announced present.

Brother Stephen Walsh, President, St. Edward's University, Austin, Texas, offered the invocation as follows:

God, our Father: We call on You for inspiration and guidance in our deliberations today. Assist us to be mindful of the needs and concerns of the people whom You ask us to serve. In all that we do and decide upon today, let it be done with

integrity, in the cause of peace and justice, and for the continual building up of the community of Your people. This we ask in the name of Jesus Christ our Lord. Amen.

On motion of Senator Aikin and by unanimous consent, the reading of the Journal of the proceedings of Thursday, April 3, 1975, was dispensed with and the Journal was approved.

LEAVES OF ABSENCE

Senator Schwartz was granted leave of absence for today on account of important business on motion of Senator Mauzy.

Senator Clower was granted leave of absence for today on account of important business on motion of Senator Doggett.

Senator McKinnon was granted leave of absence for today on account of important business on motion of Senator McKnight.

REPORTS OF STANDING COMMITTEES

Senator Aikin submitted the following reports for the Committee on Texas Constitution:

S.J.R. 53

S.J.R. 49

Senator Creighton submitted the following reports for the Committee on Economic Development:

H.B. 647

C.S.S.B. 412 (Read first time)

S.B. 423

S.B. 467

Senator Brooks submitted the following reports for the Committee on Human Resources:

S.B. 180 (Amended)

S.B. 481

S.B. 634

S.B. 705

Senator Patman, Acting Chairman, submitted the following report for the Committee on Human Resources:

C.S.S.B. 1004 (Read first time)

Senator Schwartz submitted the following reports for the Committee on Jurisprudence:

C.S.S.B. 160 (Read first time)

C.S.S.B. 65 (Read first time)

HOUSE BILLS ON FIRST READING

The following bills received from the House were read the first time and referred to the Committees indicated:

- H.B. 696**, To Committee on Education.
- H.B. 985**, To Committee on Natural Resources.
- H.B. 306**, To Committee on Intergovernmental Relations.
- H.B. 188**, To Committee on Intergovernmental Relations.

SENATE BILLS ON FIRST READING

By unanimous consent the following bills were introduced, read first time and referred to the Committee indicated:

By Senator Mengden:

S.B. 1021, A bill to be entitled An Act relating to the commissioning and classification of peace officers; listing persons included in the term "peace officers"; amending Article 2.12, Code of Criminal Procedure, 1965, as last amended by Section 1 of Chapter 459, Acts of the 63rd Legislature, Regular Session, 1973; providing for severability; repealing conflicting laws; and declaring an emergency.

To Committee on State Affairs.

By Senator Mengden:

S.B. 1022, A bill to be entitled An Act providing for the amendment of Acts 1957, 55th Legislature, page 1379, Chapter 472, as amended by Acts 1963, 58th Legislature, page 1273, Chapter 487, Section 1, known as the City Hospital Authority Act (codified as Article 4437e, Vernon's Texas Civil Statutes), by amending Sections 2, 5, 6, 7, 8, 10, 11, 12, 14 and 18 thereof; providing a definition of "Hospital" or "Hospitals"; authorizing management agreements for and leases of the Hospitals; modifying the provisions for the issuance, approval and sale of Authority's revenue bonds, the revenues pledged to the payment thereof and the use to be made of the bond proceeds; containing a severability clause; and declaring an emergency.

To Committee on Intergovernmental Relations.

By Senator Mengden:

S.B. 1023, A bill to be entitled An Act providing for the amendment of Acts 1963, 58th Legislature, page 324, Chapter 122, (codified as Article 4494r, Vernon's Texas Civil Statutes), by amending Sections 2, 5, 6, 7, 8, 10, 11, 12, 14 and 18 thereof; providing a definition of "Hospital" or "Hospitals"; authorizing management agreements for and leases of Hospitals; restricting the location of a Hospital so that it will not be within the boundaries of a City Hospital Authority; modifying the provisions for the issuance, approval and sale of Authority's revenue bonds, the revenues pledged to the payment thereof, and the use to be made of the bond proceeds; containing a severability clause; and declaring an emergency.

To Committee on Intergovernmental Relations.

By Senator Brooks:

S.B. 1026, A bill to be entitled An Act relating to the prohibition of any electronic, mechanical or other device for bugging, wiretapping or intercepting any telephone or private conversation, statement or communication; the regulation and certification of the use of certain electronic, mechanical or other devices for the purpose of detecting a person's identity or truth or deception; granting certain powers and duties to the Texas Board of Private Detectives, Private Investigators, and Private Security Agencies; adding a Subsection (8) to Section 14 of the Private Investigators and Private

Security Agencies Act; adding a new Subchapter F to the Private Investigators and Private Security Agencies Act; providing for penalties; and declaring an emergency.
To Committee on Jurisprudence.

By unanimous consent the following local bills were introduced, read first time and referred to the Committee indicated:

By Senator Sherman:

S.B. 1025, A bill to be entitled An Act relating to and establishing the boundaries of the Red River Authority of Texas; amending Section 2, Chapter 279, Acts of the 56th Legislature, Regular Session, 1959, as amended (Article 8280-228, Vernon's Texas Civil Statutes); making finding of required notice; and declaring an emergency.

To Committee on Natural Resources.

By Senator Ogg:

S.B. 1027, A bill to be entitled An Act relating to creating a firemen's relief and retirement fund in certain cities; repealing Sections 6B, 6B-1, 7B, 7C, 10E, 12A, 23A-1, 23C, 23F, and 23G, Chapter 125, Acts of the 45th Legislature, Regular Session, 1937, as amended (Article 6243e, Vernon's Texas Civil Statutes); and declaring an emergency.

To Committee on Intergovernmental Relations.

SENATE CONCURRENT RESOLUTION 52

Senator Doggett offered the following resolution:

S.C.R. 52, Directing Engrossing and Enrolling Clerk to return **H.B. 169** to the Senate for further consideration.

On motion of Senator Doggett and by unanimous consent, the resolution was considered immediately and was adopted.

SENATE BILL 29 ON THIRD READING

Senator Harrington asked unanimous consent to suspend the regular order of business and take up **S.B. 29** for consideration at this time.

There was objection.

Senator Harrington then moved to suspend the regular order of business and take up **S.B. 29** for consideration at this time.

The motion prevailed by the following vote: Yeas 22, Nays 6.

Yeas: Adams, Aikin, Andujar, Brooks, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, McKnight, Meier, Mengden, Moore, Ogg, Santiesteban, Traeger and Williams.

Nays: Braecklein, Creighton, Mauzy, Patman, Sherman and Snelson.

Absent-excused: Clower, McKinnon and Schwartz.

The President laid before the Senate on its third reading and final passage:

S.B. 29, A bill to be entitled An Act relating to the authority of the Parks and Wildlife Commission to authorize recreational hunting at Sea Rim State Park; amending Chapter 465, Acts of the 62nd Legislature, Regular Session, 1971 (Article 978f-5d, Vernon's Texas Penal Code) and declaring an emergency.

The bill was read third time and was passed by the following vote: Yeas 20, Nays 8.

Yeas: Adams, Aikin, Andujar, Brooks, Farabee, Gammage, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, McKnight, Meier, Mengden, Moore, Ogg, Santiesteban, Traeger and Williams.

Nays: Braecklein, Creighton, Doggett, Hance, Mauzy, Patman, Sherman and Snelson.

Absent-excused: Clower, McKinnon and Schwartz.

RECORD OF VOTE

Had I been present, I would have voted "Nay" on the final passage of **S.B. 29**.

CLOWER

BILLS AND RESOLUTION SIGNED

The President announced the signing in the presence of the Senate after the caption had been read, the following enrolled bills and resolution:

H.C.R. 26

H.B. 485

H.B. 424

SENATE BILL 545 ON SECOND READING

On motion of Senator Farabee and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S.B. 545, A bill to be entitled An Act relating to changing the name of Midwestern University to Midwestern State University; amending the title of Chapter 103 and Section 103.01, Texas Education Code; providing an effective date; and declaring an emergency.

The bill was read second time and was passed to engrossment.

SENATE BILL 545 ON THIRD READING

Senator Farabee moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 545** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino,

Longoria, Mauzy, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Sherman, Snelson, Traeger and Williams.

Absent-excused: Clower, McKinnon and Schwartz.

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed.

SENATE BILL 789 ON SECOND READING

On motion of Senator Moore and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S.B. 789, A bill to be entitled An Act amending Section 85.01, Subchapter A, and Sections 85.11, 85.13, 85.14, and 85.15, Subchapter B, Chapter 85, Texas Education Code; and declaring an emergency.

The bill was read second time and passed to engrossment.

SENATE BILL 789 ON THIRD READING

Senator Moore moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 789** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Sherman, Snelson, Traeger and Williams.

Absent-excused: Clower, McKinnon and Schwartz.

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed.

MESSAGE FROM THE HOUSE

Hall of the House of Representatives
Austin, Texas, April 7, 1975

Honorable William P. Hobby
President of the Senate

Sir: I am directed by the House to inform the Senate that the House has passed the following:

H.C.R. 59, In memory of Officer Hollie Tull.

All necessary rules suspended, and the House concurred in Senate amendments to House Bill 719 by a non-record vote.

S.B. 387, A bill to be entitled An Act relating to the limitation on the amount of loans under the Veterans' Land Program; amending Sections 12, 16, 16B, and 17, Chapter 318, Acts of the 51st Legislature, Regular Session, 1949, as amended (Article 5421m, Vernon's Texas Civil Statutes); and declaring an emergency. (With amendment)

H.B. 866, A bill to be entitled An Act relating to the creation of the County Court at Law of Collin County; making other provisions relative to the court; relating to the jurisdiction of the County Court of Collin County and the 199th District Court; adding the judge of the county court at law to the membership of the Collin County Juvenile Board; amending Sections 1, 2, and 3, Chapter 370, Acts of the 63rd Legislature, Regular Session, 1973 (Article 5139HHH, Vernon's Texas Civil Statutes); repealing Subsections (b), (c), (d), and (e), Section 3.028, Subchapter C, Judicial Districts Act of 1969 (Article 199a, Vernon's Texas Civil Statutes); and declaring an emergency.

H.B. 768, A bill to be entitled An Act relating to the qualification of certain applicants for licensure to practice medicine; and declaring an emergency.

H.B. 124, A bill to be entitled An Act relating to the authority of party state executive committees to set dates for the biennial meeting of state party conventions; amending Section 213 and 216, Election Code, 1951 (Article 13.35 and 13.38, Vernon's Texas Election Code); and declaring an emergency.

H.B. 316, A bill to be entitled An Act relating to residence for voting purposes; amending Subsections (j) and (k), Section 40, Texas Election Code, as amended (Article 5.08, Vernon's Texas Election Code); relating to the residence of persons in military service and the residence of students; and declaring an emergency.

H.B. 1238, A bill to be entitled An Act relating to standards promulgated by the State Board of Education relating to the approval of colleges and universities offering programs in teacher education and the issuance of teaching certificates; amending Section 13.032, Texas Education Code, by adding Subsection (c); and declaring an emergency.

H.B. 381, A bill to be entitled An Act relating to alternate disclosure requirements to coordinate State credit law with the Federal Truth in Lending Act; providing for administrative enforcement, civil and criminal penalties, and other remedies by adding a Chapter 14 to Title 79, Revised Civil Statutes of Texas, 1925, as amended (Article 5069-1.01 et seq., Vernon's Texas Civil Statutes); providing for an effective date; and declaring an emergency.

H.B. 537, A bill to be entitled An Act relating to a county purchasing agent's power to purchase provisions for a county jail; adding Subsection (d) to Article 5116, Revised Civil Statutes of Texas, 1925, as amended; amending Subsection (b), Section 1, Chapter 9, page 602, Special Laws, Acts of the 46th Legislature, Regular Session, 1939, as amended; and declaring an emergency.

H.B. 1749, A bill to be entitled An Act relating to the payment of court-appointed counsel for certain prisoners of the Texas Department of Corrections; amending the Code of Criminal Procedure, 1965, as amended, by adding Article 26.055; and declaring an emergency.

S.B. 222, A bill to be entitled An Act relating to the compensation of the judges of the 103rd, 107th, 138th, and 197th Judicial Districts; and declaring an emergency.

S.B. 87, A bill to be entitled An Act creating the County Court at Law of Brazos County; making other provisions relative to the court; relating to the jurisdiction of the County Court of Brazos County; amending Chapter 2, Acts of the 56th Legislature, Regular Session, 1959; and declaring an emergency. (With amendment)

S.B. 353, A bill to be entitled An Act relating to the powers and duties of county historical commissions and commissioners courts with respect to historical matters; amending Chapter 152, Acts of the 58th Legislature, Regular Session, 1963, as amended (Article 6145.1, Vernon's Texas Civil Statutes); repealing Chapter 2372r, Vernon's Texas Civil Statutes); and declaring an emergency.

S.B. 470, A bill to be entitled An Act relating to the importation and taxation of liquor bottled in containers sized under the metric system; adding a Section 21e to Article I, Texas Liquor Control Act, as amended (Article 666-1 et seq., Vernon's Texas Penal Code); and declaring an emergency.

H.B. 364, A bill to be entitled An Act relating to refund of overcharge of motor vehicle registration fees; adding Section 5f to Chapter 88, General Laws, Acts of the 41st Legislature, 2nd Called Session, 1929, as amended (Article 6675a-1, et seq., Vernon's Texas Civil Statutes); and declaring an emergency.

H.B. 558, A bill to be entitled An Act amending Acts, 44th Legislature, 1935, ch. 467, p. 1795, as amended by Acts, 1971, 62nd Legislature, p. 688, ch. 65, Section 9, and Acts, 1973 Legislature, p. 788, ch. 351, Section 1, and codified as Article I, Section 58 of the Texas Liquor Control Act, (Article 666-58 of Chapter 8, Title 11, Vernon's Annotated Penal Code - Auxiliary Laws); providing for an exception to the restrictions on the renewal of a mixed beverage permit held by a corporation; and declaring an emergency.

H.B. 617, A bill to be entitled An Act authorizing the Board of Regents of Midwestern University to sell and convey certain land in Wichita County; providing that the proceeds from the sale shall be part of the Plant Funds of Midwestern University and appropriating the proceeds for that purpose; and declaring an emergency.

H.B. 619, A bill to be entitled An Act relating to officers of cooperative marketing associations; amending Article 5749, Revised Civil Statutes of Texas, 1925; and declaring an emergency.

H.B. 630, A bill to be entitled An Act relating to changing the name of Tyler State College to Texas Eastern University; amending Sections 51.001, 113.01, and 113.03, Texas Education Code, as amended; and declaring an emergency.

H.B. 816, A bill to be entitled An Act conveying to the city of Big Spring a certain described tract of land to be used for park or recreational purposes; providing for reversion of title to the State of Texas under certain conditions; and declaring an emergency.

H.B. 1004, A bill to be entitled An Act relating to the terms of court of the 187th District Court; amending Section 3.014, Judicial Districts Act of 1969 (Article 199a, Vernon's Texas Civil Statutes), by adding Subsection (c); and declaring an

emergency.

H.B. 1019, A bill to be entitled An Act authorizing the Court of Civil Appeals for the Thirteenth Supreme Judicial District to transact its business in places other than the City of Corpus Christi; providing that all cases originating in Nueces County shall be heard and tried in such county; repealing all laws or parts of laws in conflict herewith; and declaring an emergency.

H.B. 1149, A bill to be entitled An Act relating to the compensation of river authority directors; amending Section 1, Chapter 182, Acts of the 58th Legislature, 1963 (Article 3946a, Vernon's Texas Civil Statutes); and declaring an emergency.

H.B. 1294, A bill to be entitled an Act relating to the compensation of the Criminal District Attorney of Eastland County; amending Section 7, Chapter 738, Acts of the 62nd Legislature, Regular Session, 1971 (Article 326k-68, Vernon's Texas Civil Statutes); and declaring an emergency.

Pursuant to Joint Rule 7, the Senate is advised the House has tabled **H.B. 950** by a record vote of 102 ayes, 30 nays.

Respectfully submitted,
DOROTHY HALLMAN
Chief Clerk, House of Representatives

**COMMITTEE SUBSTITUTE SENATE CONCURRENT RESOLUTION 31 ON
SECOND READING**

Senator Andujar asked unanimous consent to suspend the regular order of business and take up **C.S.S.C.R. 31** for consideration at this time.

There was objection.

Senator Andujar then moved to suspend the regular order of business and take up **C.S.S.C.R. 31** for consideration at this time.

The motion prevailed by the following vote: Yeas 21, Nays 6, 1 Present-Not Voting.

Yeas: Adams, Aikin, Andujar, Brooks, Creighton, Farabee, Harris, Jones, Kothmann, Lombardino, Longoria, McKnight, Meier, Mengden, Moore, Patman, Santiesteban, Sherman, Snelson, Traeger and Williams.

Nays: Braecklein, Doggett, Gammage, Hance, Harrington and Mauzy.

Present-Not Voting: Ogg.

Absent-excused: Clower, McKinnon and Schwartz.

The President laid before the Senate the following resolution:

C.S.S.C.R. 31, Urging the United States Railway Association to reconsider its decision denying loan funds to support operating and capital needs of Rock Island Railroad.

The resolution was read second time.

SENATOR ANNOUNCED PRESENT

Senator Clower who had previously been recorded as "Absent-excused" was announced "Present".

Senator Andujar offered the following amendment to the resolution:

Amend **S.C.R. 31** by substituting therefor the following:

WHEREAS, the Chicago, Rock Island and Pacific Railroad Company provides rail transportation services to 27 of Texas' 254 counties, and if the Rock Island ceases operations it would leave 102 Texas communities without any rail service; and

WHEREAS, the Rock Island Railroad provides an essential transportation service that carries Texas' agricultural and manufactured products to national and world markets; and

WHEREAS, the decline in natural gas supplies and available supplies of petroleum will require that millions of tons of coal be moved to meet the energy needs of the nation; and

WHEREAS, the energy shortage requires preservation and protection of the most efficient means of hauling bulk goods for long distances, thus conserving fuel; and

WHEREAS, the Rock Island's financial problems have reached the point where earnings are not sufficient to bring the tracks and equipment up to the standards necessary to fulfill the transportation needs of this area; and

WHEREAS, if the Rock Island Railroad could obtain a loan of \$100 million, it could continue operations without interruption by rebuilding the railroad, purchasing new equipment and maintaining the facilities necessary to provide effective transportation services in Texas and elsewhere; and

WHEREAS, there has been introduced in the United States Senate S. 1306, a bill authorizing and directing the Secretary of Transportation to make a loan of not to exceed \$100 million to the Chicago, Rock Island and Pacific Railroad Company to carry out these purposes.

NOW, THEREFORE, BE IT RESOLVED by the Senate, the House of Representatives concurring, that the Congress of the United States be urged to approve S. 1306 to support the operating and capital needs of the Rock Island Railroad; and

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the Secretary of Transportation; the President of the United States; the members of the Texas Congressional Delegation; Senator Warren G. Magnuson, Chairman, Senate Committee on Commerce; and Congressman Harley O. Staggers, Chairman, House Committee on Interstate and Foreign Commerce.

The amendment was read.

The amendment was adopted by the following vote: Yeas 21, Nays 7, 1 Present-Not Voting.

Yeas: Adams, Aikin, Andujar, Brooks, Creighton, Farabee, Harris, Jones, Kothmann, Lombardino, Longoria, McKnight, Meier, Mengden, Moore, Patman, Santiesteban, Sherman, Snelson, Traeger and Williams.

Nays: Braecklein, Clower, Doggett, Gammage, Hance, Harrington and Mauzy.

Present-Not Voting: Ogg.

Absent-excused: McKinnon and Schwartz.

The resolution as amended was then adopted by the following vote: Yeas 21, Nays 7, 1 Present-Not Voting.

Yeas: Adams, Aikin, Andujar, Brooks, Creighton, Farabee, Harris, Jones, Kothmann, Lombardino, Longoria, McKnight, Meier, Mengden, Moore, Patman, Santiesteban, Sherman, Snelson, Traeger and Williams.

Nays: Braecklein, Clower, Doggett, Gammage, Haace, Harrington and Mauzy.

Present-Not Voting: Ogg.

Absent-excused: McKinnon and Schwartz.

SENATE BILL 87 WITH HOUSE AMENDMENT

Senator Moore called **S.B. 87** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

COMMITTEE AMENDMENT NO. 1

Amend **S.B. 87** by striking the number "\$5,000," where it appears in Subsection (c) of Section 2 of the bill, and substituting the number "\$10,000,".

The House amendment was read.

Senator Moore asked unanimous consent to concur in House amendment.

The motion prevailed.

SENATE BILL 74 WITH HOUSE AMENDMENTS

Senator Harrington called **S.B. 74** from the President's table for consideration of the House amendments to the bill.

The President laid the bill and the House amendments before the Senate.

COMMITTEE AMENDMENT NO. 1

Amend **S.B. 74**, First Printing, by striking "\$153,709" on page 2, line 9, and substituting "\$168,142".

AMENDMENT NO. 2

Amend Senate Bill 74 by adding a new Section 2 and to renumber other sections accordingly:

Sec. 2. FUND EQUITIES. In order to preserve fund equities, the comptroller shall transfer from Special Fund No. 082 (Mobile Home Standards Fund) in the state

treasury the amounts necessary to reimburse the General Revenue Fund in the amount of \$128,769 out of either current balances or unexpended and unencumbered cash balances as of the end of the state fiscal year. In the event such unexpended and unencumbered cash balances are insufficient to totally reimburse the General Revenue Fund as of the end of the biennium, the legislature shall appropriate out of such funds from any income to said funds during the next biennium, a sufficient amount to totally reimburse the General Revenue Fund in the amount of \$128,769.

The House amendments were read.

Senator Harrington moved to concur in House amendments.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Sherman, Snelson, Traeger and Williams.

Absent-excused: McKinnon and Schwartz.

SENATE BILL 845 ON SECOND READING

On motion of Senator Hance and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S.B. 845, A bill to be entitled An Act relating to the exemption of certain products of agricultural commodities from assessment on their product sales; amending Section 2A and adding a new Section 2B, Chapter 462, Acts of the 60th Legislature, Regular Session, 1967, as amended (Article 55c, Vernon's Texas Civil Statutes); and declaring an emergency.

The bill was read second time.

Senator Hance offered the following amendment to the bill:

Amend **S.B. 845**, Section 2A, by deleting on line 19 all words between "Exemptions" and "Producers" and inserting therein the following:
"Rice, flax, and cattle are exempt from all provisions of this Act."

The amendment was read and was adopted.

Senator Hance offered the following amendment to the bill:

In "Section 2B, Line 33, put a period after the word 'used.' and delete the words 'and shall require sworn statements as a part of such forms.'"

The amendment was read and was adopted.

On motion of Senator Hance and by unanimous consent, the caption amended to conform to the body of the bill as amended.

The bill as amended was passed to engrossment.

SENATE BILL 845 ON THIRD READING

Senator Hance moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 845** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Sherman, Snelson, Traeger and Williams.

Absent-excused: McKinnon and Schwartz.

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Sherman, Snelson, Traeger and Williams.

Absent-excused: McKinnon and Schwartz.

SENATE BILL 180 ON SECOND READING

On motion of Senator Gammage and by unanimous consent, the regular order of business and Senate Rule 74 were suspended to take up for consideration at this time on its second reading and passage to engrossment:

S.B. 180, A bill to be entitled An Act relating to the creation, certification, and operation of health maintenance organizations, as defined in this Act; providing a penalty; and declaring an emergency.

The bill was read second time.

Senator Gammage offered the following Committee Amendment to the bill:

Amend Senate Bill 180, by striking all below the enacting clause and substituting the following:

Section 1. **SHORT TITLE.** This Act may be cited as the Texas Health Maintenance Organization Act.

Sec. 2. **DEFINITIONS.** (a) "Basic health care services" means health care services which an enrolled population might reasonably require in order to be maintained in good health, including, as a minimum, emergency care, inpatient hospital and medical services, and outpatient medical services.

(b) "Board" means the State Board of Health.

(c) "Commissioner" means the commissioner of insurance.

(d) "Enrollee" means an individual who has been enrolled in a health care plan, including covered dependents.

(c) "Evidence of coverage" means any certificate, agreement, or contract issued to an enrollee setting out the coverage to which the enrollee is entitled.

(f) "Group hospital service corporation" means a nonprofit corporation organized and operating under Chapter 20 of the Insurance Code.

(g) "Health care" means prevention, maintenance, and rehabilitation services provided by qualified persons other than medical care.

(h) "Health care plan" means any arrangement whereby any person undertakes to provide, arrange for, pay for, or reimburse any part of the cost of any health care services and at least part of such arrangement consists of arranging for or the provision of health care services, as distinguished from mere indemnification against the cost of such service, on a prepaid basis through insurance or otherwise.

(i) "Health care services" means any services, including the furnishing to any individual of medical or dental care, or hospitalization or incident to the furnishing of such care or hospitalization, as well as the furnishing to any person of any and all other services for the purpose of preventing, alleviating, curing or healing human illness or injury.

(j) "Health maintenance organization" means any person who undertakes to provide or arrange for one or more health care plans.

(k) "Medical care" means furnishing those services defined as the practice of medicine in Section 11, Chapter 426, Acts of the 53rd Legislature, Regular Session, 1953 (Article 4510a, Vernon's Texas Civil Statutes).

(l) "Person" means any natural or artificial person, including, but not limited to, individuals, partnerships, associations, trusts, or corporations.

(m) "Physician" means anyone licensed to practice medicine in the State of Texas.

(n) "Provider" means any practitioner other than a physician, such as a registered nurse, pharmacist, pharmacy, hospital, or other institution or organization or person that furnishes health care services, who is licensed or otherwise authorized to practice in this state.

Sec. 3. ESTABLISHMENT OF HEALTH MAINTENANCE ORGANIZATION. (a) Notwithstanding any law of this state to the contrary, any person may apply to the commissioner for and obtain a certificate of authority to establish and operate a health maintenance organization in compliance with this Act. No person shall establish or operate a health maintenance organization in this state, or sell or offer to sell or solicit offers to purchase or receive advance or periodic consideration in conjunction with a health maintenance organization without obtaining a certificate of authority under this Act. A foreign corporation may qualify under this Act, subject to its registration to do business in this state as a foreign corporation under the Texas Business Corporation Act and compliance with all provisions of this Act and other applicable Texas statutes.

(b) Within 90 days of the effective date of this Act, every existing health maintenance organization shall submit an application for a certificate of authority. Each such applicant may continue to operate until the commissioner acts on the application. In the event that an application is denied, the applicant shall henceforth be treated as a health maintenance organization whose certificate of authority has been revoked.

Sec. 4. APPLICATION FOR CERTIFICATE OF AUTHORITY. (a) Each application for a certificate of authority shall be on a form prescribed by rule of the commissioner and shall be verified by the applicant, an officer, or other authorized representative of the applicant, and shall set forth or be accompanied by the following:

(1) a copy of the basic organizational document, if any, of the applicant, such as the articles of incorporation, articles of association, partnership agreement, trust agreement, or other applicable documents, and all amendments thereto;

(2) a copy of the bylaws, rules and regulations, or similar document, if any, regulating the conduct of the internal affairs of the applicant;

(3) a list of the names, addresses, and official positions of the persons who are to be responsible for the conduct of the affairs of the applicant, including all members of the board of directors, board of trustees, executive committee, or other governing body or committee, the principal officer in the case of a corporation, and the partnership or members in the case of a partnership or association;

(4) a copy of any independent or other contract made or to be made between any provider, physician, or persons listed in Paragraph (3) hereof and the applicant;

(5) a statement generally describing the health maintenance organization, its health care plan or plans, facilities, and personnel;

(6) a copy of the form of evidence of coverage to be issued to the enrollee;

(7) a copy of the form of the group contract, if any, which is to be issued to employers, unions, trustees, or other organizations;

(8) a financial statement showing the applicant's assets, liabilities, and sources of financial support; if the applicant's financial affairs are audited by an independent certified public accountant, a copy of the applicant's most recent regular certified financial statement shall be deemed to satisfy this requirement unless the commissioner directs that additional or more recent financial information is required for the proper administration of this Act;

(9) a description of the proposed method of marketing the plan, a financial plan which includes a three-year projection of the initial operating results anticipated, and a statement as to the sources of working capital, as well as any other sources of funding;

(10) a power of attorney duly executed by such applicant, if not domiciled in this state, appointing the commissioner and his successors in office, or a duly authorized deputy, as the true and lawful attorney of such applicant in and for the state upon whom all lawful processes in any legal action or proceedings against the health maintenance organization on a cause of action arising in this state may be served;

(11) a statement reasonably describing the geographic area or areas to be served;

(12) a description of the complaint procedures to be utilized;

(13) a description of the procedures and programs to be implemented to meet the quality of health care requirements set forth herein;

(14) a description of the mechanisms by which enrollees will be afforded the opportunity to participate in matters of policy and operation; and

(15) such other information as the commissioner may require to make the determinations required by this Act.

(b) A health maintenance organization shall file notice with the commissioner prior to any modification of the operations or documents described in Subsection (a) of this section. As soon as reasonably possible after the filing has been made, the commissioner shall in writing approve or disapprove the same. Any filing shall be considered approved unless disapproved within 30 days; provided that the commissioner may by official order postpone the action for such further time not exceeding 30 days, as may be considered necessary for proper consideration.

Sec. 5. ISSUANCE OF CERTIFICATE OF AUTHORITY. (a) (1) Upon receipt of an application for issuance of a certificate of authority, the commissioner shall begin consideration of the application and forthwith transmit copies of such application and accompanying documents to the board.

(2) The board shall determine whether the applicant for a certificate of authority, with respect to health care services to be furnished:

(A) has demonstrated the willingness and potential ability to assure that such health care services will be provided in a manner to assure both availability and accessibility of adequate personnel and facilities, in a manner enhancing availability, accessibility, and continuity of services;

(B) has arrangements, established in accordance with rules and regulations promulgated by the board with the concurrence of the commissioner, for an ongoing quality of health care assurance program concerning health care processes and

outcome; and

(C) has a procedure, established by rules and regulations of the board with the concurrence of the commissioner, to develop, compile, evaluate, and report statistics relating to the cost of operation, the pattern of utilization of its services, availability and accessibility of its services.

(3) Within 45 days of receipt of the application by the board for issuance of a certificate of authority, the board shall certify to the commissioner whether the proposed health maintenance organization meets the requirements of this section. If the board certifies that the health maintenance organization does not meet such requirements, it shall specify in what respects it is deficient.

(b) The commissioner shall, after notice and hearing, issue or deny a certificate of authority to any person filing an application pursuant to Section 4 of this Act within 75 days of the receipt of the certification of the board. Issuance of the certificate of authority shall be granted upon payment of the application fee prescribed in Section 32 of this Act if:

(1) the board certifies that the health maintenance organization's proposed plan of operation meets the requirements of Subsection (a)(2) of this section, and

(2) the commissioner is satisfied that:

(A) the person responsible for the conduct of the affairs of the applicant is competent, trustworthy, and possesses a good reputation;

(B) the health care plan constitutes an appropriate mechanism whereby the health maintenance organization will effectively provide or arrange for the provision of basic health care services on a prepaid basis, through insurance or otherwise, except to the extent of reasonable requirements for co-payment;

(C) the health maintenance organization is fully responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees. In making this determination, the commissioner shall consider:

(i) the financial soundness of the health care plan's arrangement for health care services and a schedule of charges used in connection therewith;

(ii) the adequacy of working capital;

(iii) any agreement with an insurer, group hospital service corporation, a political subdivision of government, or any other organization for insuring the payment of the cost of health care services or the provision for automatic applicability of an alternative coverage in the event of discontinuance of plan;

(iv) any agreement which provides for the provision of health care services; and

(v) any surety bond or deposit of cash or securities submitted in accordance with Section 13 of this Act as a guarantee that the obligations will be duly performed;

(D) the enrollees will be afforded an opportunity to participate in matters of policy and operation pursuant to Section 7(b) of this Act;

(E) nothing in the proposed method of operation, as shown by the information submitted pursuant to Section 4 of this Act, or by independent investigation, is contrary to Texas law.

(c) If the board or the commissioner, or both, shall certify that the health maintenance organization's proposed plan of operation does not meet the requirements of this section, the commissioner shall not issue the certificate of authority. The commissioner shall notify the applicant that it is deficient, and shall specify in what respects it is deficient.

(d) A certificate of authority shall continue in force as long as the person to whom it is issued meets the requirements of this Act or until suspended or revoked by the commissioner or terminated at the request of the certificate holder. Any change in control, as defined by Article 21.49-1 of the Insurance Code of Texas, of the health maintenance organization, shall be subject to the approval of the commissioner.

Sec. 6. POWERS OF HEALTH MAINTENANCE ORGANIZATION. (a) The powers of a health maintenance organization include, but are not limited to, the following:

(1) the purchase, lease, construction, renovation, operation or maintenance of hospitals, medical facilities, or both, and ancillary equipment and such property as may reasonably be required for its principal office or for such other purposes as may be necessary in the transaction of the business of the health maintenance organization;

(2) the making of loans to a medical group, under an independent contract with it in furtherance of its program, or corporations under its control, for the purpose of acquiring or constructing medical facilities and hospitals, or in the furtherance of a program providing health care services to enrollees;

(3) the furnishing of medical care services through physicians who have independent contracts with the health maintenance organizations; the furnishing or arranging for the delivery of health care services through providers or groups of providers who are under contract with or employed by the health maintenance organization; provided, however, that a health maintenance organization is not authorized to employ or contract with physicians or providers in any manner which is prohibited by any licensing law of this state under which such physicians or providers are licensed;

(4) the contracting with any person for the performance on its behalf of certain functions such as marketing, enrollment, and administration;

(5) the contracting with an insurance company licensed in this state, or with a group hospital service corporation authorized to do business in the state, for the provision of insurance, indemnity, or reimbursement against the cost of health care and medical care services provided by the health maintenance organization;

(6) the offering, in addition to the basic health care services, of:

(A) additional health care or medical services;

(B) indemnity benefits covering out-of-area emergency services; and

(C) indemnity benefits in addition to those relating to out-of-area and emergency services, provided through insurers or group hospital service corporations;

(7) receiving and accepting from government or private agencies payments covering all or part of the cost of the services provided or arranged for by the organization;

(8) all powers given to corporations (including professional corporations and associations), partnerships, and associations pursuant to their organizational documents which are not in conflict with provisions of this Act, or other applicable law.

(b) (1) The health maintenance organization shall file notice, with adequate supporting information, with the commissioner prior to the exercise of any power granted in Subdivision (1) or (2) of Subsection (a) of this section. The commissioner shall disapprove such exercise of powers which, in his or her opinion, would substantially and adversely affect the financial soundness of the health maintenance organization and endanger its ability to meet its obligations. If the commissioner does not disapprove within 30 days of filing, it shall be deemed approved; provided that the commissioner may, by official order, postpone action for such further time, not exceeding 30 days, as may be considered necessary for proper consideration.

(2) The commissioner may promulgate rules and regulations exempting from the filing requirements of this subdivision those activities having a de minimis effect.

Sec. 7. GOVERNING BODY. (a) The governing body of any health maintenance organization may include physicians, providers, or other individuals, or any combination of the above.

(b) The governing body shall establish a mechanism to afford the enrollees an opportunity to participate in matters of policy and operation through the establishment of advisory panels, by the use of advisory referenda on major policy decisions, or through the use of other mechanisms.

Sec. 8. FIDUCIARY RESPONSIBILITY. Any director, officer, member, employee, or partner of a health maintenance organization who receives, collects, disburses, or invests funds in connection with the activities of such organization shall be responsible for such funds in a fiduciary relationship to the enrollees.

Sec. 9. EVIDENCE OF COVERAGE AND CHARGES. (a) (1) Every enrollee residing in this state is entitled to evidence of coverage under a health care plan. If the enrollee obtains coverage under a health care plan through an insurance policy or a contract issued by a group hospital service corporation, whether by option or otherwise, the insurer or the group hospital service corporation shall issue the evidence of coverage. Otherwise, the health maintenance organization shall issue the evidence of coverage.

(2) No evidence of coverage, or amendment thereto, shall be issued or delivered to any person in this state until a copy of the form of evidence of coverage, or amendment thereto, has been filed with and approved by the commissioner.

(3) An evidence of coverage shall contain:

(A) no provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, which encourage misrepresentation, or which are untrue, misleading, or deceptive as defined in Section 14 of this Act; and

(B) a clear and complete statement, if a contract, or a reasonably complete facsimile, if a certificate, of:

(i) the medical and health care services and the issuance of other benefits, if any, to which the enrollee is entitled under the health care plan;

(ii) any limitation on the services, kinds of services, benefits, or kinds of benefits to be provided, including any deductible or co-payment feature;

(iii) where and in what manner information is available as to how services may be obtained;

(iv) the total amount of payment for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or indication whether the plan is contributory or noncontributory with respect to group certificates; and

(v) a clear and understandable description of the health maintenance organization's methods for resolving enrollee complaints. Any subsequent changes may be evidenced in a separate document issued to the enrollee.

(4) Copy of the form of the evidence of coverage to be used in this state, and any amendments thereto, shall be subject to the filing and approval requirements of Subsection (b) of this section, unless it is subject to the jurisdiction of the commissioner under the laws governing health insurance or group hospital service corporations, in which event the filing and approval provisions of such law shall apply. To the extent, however, that such provisions do not apply to the requirements of Subdivision (3), Subsection (a) of this section, the requirements of Subdivision (3) shall be applicable.

(b) (1) No schedule of charges for enrollee coverage for medical services or health care services or amendments thereto may be used in conjunction with any health care plan until a copy of such schedule or amendments thereto has been filed with the commissioner.

(2) Such charges may be established in accordance with actuarial principles for various categories of enrollees, provided that charges applicable to an enrollee shall not be individually determined based on the status of his or her health. However, the charges shall not be excessive, inadequate, or unfairly discriminatory, and the benefits shall be reasonable with respect to the rates charged. A certification, by a qualified actuary, to the appropriateness of the charges, based on reasonable assumptions, shall accompany the filing along with adequate supporting information.

(c) The commissioner shall, within a reasonable period, approve any form if the requirements of this section are met and any evidence of coverage if the requirements of this section are met. It shall be unlawful to issue such form until approved or to use such schedule of charges until filed. If the commissioner disapproves such filing, he or she shall notify the filer. In the notice, the commissioner shall specify the reason for the disapproval. A hearing shall be granted within 30 days after a request in writing by the person filing. If the commissioner does not approve any form within 30 days after the filing of such forms or charges, they shall be deemed approved.

(d) The commissioner may require the submission of whatever relevant information he or she deems necessary in determining whether to approve or disapprove a filing made pursuant to this section.

Sec. 10. ANNUAL REPORT. (a) Each health maintenance organization shall annually, on or before the 1st day of March, file a report, verified by at least two principal officers, with the commissioner, with a copy to the board, covering the preceding calendar year.

(b) Such report shall be on forms prescribed by the commissioner and shall include:

(1) a financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding year, certified by an independent public accountant;

(2) any material changes in the information submitted pursuant to Section 4 of this Act;

(3) the number of persons enrolled during the year, the number of enrollees as of the end of the year, and the number of enrollments terminated during the year;

(4) a summary of the information compiled pursuant to Section 12 of this Act in such form as required by the board; and

(5) such other information relating to the performance of the health maintenance organization as is necessary to enable the commissioner to carry out the duties under this Act.

Sec. 11. INFORMATION TO ENROLLEES. Every health maintenance organization shall annually provide to its enrollees:

(a) the most recent annual statement of financial condition, including a balance sheet and summary of receipts and disbursements;

(b) a description of the organizational structure and operation of the health care plan and a summary of any material changes since the issuance of the last report;

(c) a description of services and information describing where and how to secure the services; and

(d) a clear and understandable description of the health maintenance organization's method for resolving enrollee complaints.

Sec. 12. COMPLAINT SYSTEM. (a)(1) Every health maintenance organization shall establish and maintain a complaint system which has been approved by the commissioner after consultation with the board to provide reasonable procedures for the resolution of written complaints initiated by enrollees concerning health care services.

(2) Every health maintenance organization shall submit to the commissioner and to the board an annual report in a form prescribed by rule of the commissioner after consultation with the board.

(b) The commissioner or board may examine such complaint system.

Sec. 13. PROTECTION AGAINST INSOLVENCY. Each health maintenance organization shall furnish a surety bond in a reasonable amount satisfactory to the commissioner or deposit with the commissioner cash or securities acceptable to the commissioner in at least the same amount as a guarantee that the obligations to the enrollees will be performed. The commissioner may waive this requirement when satisfied that the assets of the organization or its contracts with insurers, group hospital service corporations, governments, or other organizations are sufficient to assure reasonably the performance of its obligations.

Sec. 14. PROHIBITED PRACTICES. (a) No health maintenance organization, or representatives thereof, may cause or knowingly permit the use of advertising which is untrue or misleading, solicitation which is untrue or misleading, or any form of evidence of coverage which is deceptive. For the purposes of this Act:

(1) a statement or item of information shall be deemed to be untrue if it does not conform to fact in any respect which is or may be significant to an enrollee of, or person considering enrollment in, a health care plan;

(2) a statement or item of information shall be deemed to be misleading, whether or not it may be literally untrue, if, in the total context in which said statement is made or such item of information is communicated, such statement or items of information may be reasonably understood by a reasonable person, not possessing special knowledge, regarding health care coverage, as indicating any benefit or advantage or absence of any exclusion, limitation, or disadvantage of possible significance to an enrollee or person considering enrollment in, a health care plan, if such benefit or advantage or absence of limitation, exclusion, or disadvantage does not in fact exist;

(3) an evidence of coverage shall be deemed to be deceptive if the evidence of coverage, taken as a whole, and with consideration given to typography and format, as well as language, shall be such as to cause a reasonable person, not possessing special knowledge regarding health care plans, and evidence of coverage therefor, to expect benefits, services, charges, or other advantages which the evidence of coverage does not provide or which the health care plan issuing such evidence of coverage does not regularly make available for enrollees covered under such evidence of coverage.

(b) Article 21.21, as amended, of the Insurance Code, shall be construed to apply to health maintenance organizations and health care plans and evidence of coverage, except to the extent that the commissioner determines that the nature of health maintenance organizations and health care plans and evidence of coverage renders such sections clearly inappropriate.

(c) An enrollee may not be cancelled or not renewed except for the failure to pay the charges for such coverage, or for such other reason as may be promulgated by rule of the commissioner.

(d) No health maintenance organization, unless licensed as an insurer, may use in its name, contracts, or literature, any of the words "insurance," "casualty," "surety," "mutual," or any other words descriptive of the insurance, casualty, or surety business or deceptively similar to the name or description of any insurance or surety corporation doing business in this state.

(e) No physician or health care provider or group of physicians or providers or health care facility or institution may exclude any other physician or provider from staff privileges, facilities, or institutions solely on the ground that such physician or provider is associated with a health maintenance organization issued a certificate of authority under this Act.

(f) Only those persons who comply with the provisions of this Act and are issued a certificate of authority by the commissioner may use the phrase "health maintenance organization" or "HMO" in the course of operation.

Sec. 15. REGULATION OF AGENTS. The commissioner may, after notice and hearings, promulgate such reasonable rules and regulations as are necessary to provide for the licensing of agents. An agent means a person directly or indirectly associated with a health care plan who engages in solicitation or enrollment.

Sec. 16. POWERS OF INSURERS AND OTHERS. (a) An insurance company licensed in this state, pursuant to Chapter 2 or 3 of the Insurance Code, or a group hospital service corporation authorized to do business in this state, may either directly or through a subsidiary or affiliate organize and operate a health maintenance organization under the provisions of this Act. Notwithstanding any other law which may be inconsistent herewith, any two or more such insurance companies or group hospital service corporations, or subsidiaries or affiliates thereof, may jointly organize and operate a health maintenance organization.

(b) Notwithstanding any provision of insurance or group hospital service corporation laws, an insurer or group hospital service corporation may contract with a health maintenance organization to provide insurance or similar protection against the cost of care provided by a health maintenance organization and to provide coverage in the event of failure of a health maintenance organization to meet its obligations. Among other things, under such contracts, the insurer or group hospital service

corporation may make benefit payments to a health maintenance organization for health care services rendered by physicians or providers pursuant to health care plans.

Sec. 17. EXAMINATIONS. (a) The commissioner may make an examination of the affairs of any health maintenance organization as it is deemed necessary, but not less frequently than once every three years.

(b) The board may make an examination concerning the quality of health care services of any health maintenance organization and providers with whom such organization has contracts, agreements, or other arrangements as often as it deems it necessary, but not less frequently than once every three years.

(c) (1) Every health maintenance organization shall make its books and records relating to its operation available for such examinations and in every way facilitate the examinations. Every physician and provider so examined need only make available for examination that portion of its books and records relevant to its relationship with the health maintenance organization.

(2) Medical, hospital and health records of enrollees and records of physicians and providers providing service under independent contract with a health maintenance organization shall only be subject to such examination as is necessary for an ongoing quality of health assurance program concerning health care procedures and outcome in accordance with an approved plan as provided for in this Act. Said plan shall provide for adequate protection of confidentiality of medical information and shall only be disclosed in accordance with applicable law and this Act and shall only be subject to subpoena upon a showing of good cause.

(3) For the purpose of examinations, the commissioner and board may administer oaths to and examine the officers and agents of the health maintenance organization and the principals of such physicians and providers concerning their business.

(d) Article 1.19, as amended, of the Insurance Code shall be construed to apply to health maintenance organizations, except to the extent that the commissioner determines that the nature of the examination of a health maintenance organization renders such clearly inappropriate.

Sec. 18. MANAGEMENT AND EXCLUSIVE CONTRACTS. (a) No health maintenance organization may enter into an exclusive agency contract or management contract, unless the contract is first filed with the commissioner and approved under this section within 30 days after filing or such reasonable extended period as the commissioner may specify by notice given within the 30 days.

(b) The commissioner shall disapprove a contract submitted under Subsection (a) of this section if he finds that:

- (1) it subjects the health maintenance organization to excessive charges;
- (2) the contract extends for an unreasonable period of time;
- (3) the contract does not contain fair and adequate standards of performance;
- (4) the persons empowered under the contract to manage the health maintenance organization are not sufficiently trustworthy, competent, experienced and free from conflict of interest to manage the health maintenance organization with due regard for the interests of its enrollees, creditors, or the public; or
- (5) the contract contains provisions which impair the interests of the organization's enrollees, creditors, or the public in this state.

Sec. 19. HAZARDOUS FINANCIAL CONDITION. (a) Whenever the financial condition of any health maintenance organization indicates a condition such that the continued operation of the health maintenance organization might be hazardous to its enrollees, creditors, or the general public then the commissioner of insurance may, after notice and hearing, order the health maintenance organization to take such action as may be reasonably necessary to rectify the existing condition, including but not necessarily limited to one or more of the following steps:

- (1) to reduce the total amount of present and potential liability for benefits by reinsurance;

- (2) to reduce the volume of new business being accepted;
- (3) to reduce expenses by specified methods;
- (4) to suspend or limit the writing of new business for a period of time; or
- (5) to increase the health maintenance organization's capital and surplus by contribution.

(b) The commissioner is authorized, by rules and regulations, to fix uniform standards and criteria for early warning that the continued operation of any health maintenance organization might be hazardous to its enrollees, creditors, or the general public, and to fix standards for evaluating the financial condition of any health maintenance organization, which standards shall be consistent with the purposes expressed in Subsection (a) of this section.

Sec. 20. SUSPENSION OR REVOCATION OF CERTIFICATE OF AUTHORITY. (a) The commissioner may suspend or revoke any certificate of authority issued to a health maintenance organization under this Act if the commissioner finds that any of the following conditions exist:

(1) The health maintenance organization is operating significantly in contravention of its basic organizational documents, its health care plan, or in a manner contrary to that described in and reasonably inferred from any other information submitted under Section 4 of this Act, unless amendments to such submissions have been filed with and approved by the commissioner.

(2) The health maintenance organization issues evidence of coverage or uses a schedule of charges for health care services which does not comply with the requirements of Section 9 of this Act.

(3) The health care plan does not provide or arrange for basic health care services.

(4) The board certifies to the commissioner that:

(A) the health maintenance organization does not meet the requirements of Section 5(a)(2) of this Act; or

(B) the health maintenance organization is unable to fulfill its obligation to furnish health care services as required under its health care plan.

(5) The health maintenance organization is no longer financially responsible and may be reasonably expected to be unable to meet its obligations to enrollees or prospective enrollees.

(6) The health maintenance organization has failed to implement a mechanism affording the enrollees an opportunity to participate in matters of policy and operation under Section 7(b) of this Act.

(7) The health maintenance organization has failed to implement the complaint system required by Section 12 of this Act in a manner to resolve reasonably valid complaints.

(8) The health maintenance organization, or any person on its behalf, has advertised or merchandised its services in an untrue, misrepresentative, misleading, deceptive, or unfair manner.

(9) The continued operation of the health maintenance organization would be hazardous to its enrollees.

(10) The health maintenance organization has otherwise failed to comply substantially with this Act, and any rule and regulation thereunder.

(b) A certificate of authority shall be suspended or revoked only after compliance with this section.

(c) When the certificate of authority of a health maintenance organization is suspended, the health maintenance organization shall not, during the period of such suspension, enroll any additional enrollees except newborn children, or newly acquired dependents of existing enrollees, and shall not engage in any advertising or solicitation whatsoever.

(d) When the certificate of authority of a health maintenance organization is revoked, such organization shall proceed, immediately following the effective date of

the order of revocation, to wind up its affairs, and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of such organization. It shall engage in no further advertising or solicitation whatsoever. The commissioner may, by written order, permit such further operation of the organization, as he may find to be in the best interest of the enrollees, to the end that the enrollees will be afforded the greatest practical opportunity to obtain continuing health care coverage.

Sec. 21. REHABILITATION, LIQUIDATION, OR CONSERVATION OF HEALTH MAINTENANCE ORGANIZATIONS. All rehabilitation, liquidation, or conservation of a health maintenance organization shall be deemed to be the rehabilitation, liquidation, or conservation of an insurance company and shall be conducted under the supervision of the commissioner pursuant to the law governing the rehabilitation, liquidation, or conservation of insurance companies. The commissioner may apply for an order directing the commissioner to rehabilitate, liquidate, or conserve a health maintenance organization upon any one of more of the grounds set out in Articles 21.28, as amended, 21.28-A and 21.28-B of the Insurance Code, or when the commissioner is of the opinion that the continued operation of a health maintenance organization would be hazardous either to the enrollees or to the people of the state.

Sec. 22. RULES AND REGULATIONS. The commissioner may, after notice and hearing, promulgate such reasonable rules and regulations as are necessary and proper to carry out the provisions of this Act.

Sec. 23. APPEALS. (a) Any person who is affected by any rule, ruling, or decision of the commissioner or board shall have the right to have such rule, ruling, or decision reviewed by the State Board of Insurance by making an application to the State Board of Insurance. Such application shall state the identities of the person, the rule, ruling, or decision complained of, the interest of the person in such rule, ruling, or decision, the grounds of such objection, the action sought of the State Board of Insurance and the reasons and grounds for such action by the State Board of Insurance. The original shall be filed with the chief clerk of the State Board of Insurance together with a certification that a true and correct copy of such application has been filed with the commissioner. Within 30 days after the application is filed, and after 10 days' written notice to all parties of record, the State Board of Insurance shall review the action complained of in a public hearing and render its decision at the earliest possible date thereafter. The State Board of Insurance shall make such other rules and regulations with respect to such applications and their consideration as it considers to be advisable, not inconsistent with this Act. Said application shall have precedence over all other business of a different nature pending before said State Board of Insurance.

(b) In the public hearing, any and all evidence and matters pertinent to the appeal may be submitted to the State Board of Insurance whether included in the application or not.

(c) If any person who is affected by any rule, ruling, or decision of the State Board of Insurance be dissatisfied with any rule, ruling, or decision adopted by the commissioner, board, or State Board of Insurance, that person, after failing to get relief from the State Board of Insurance, may file a petition setting forth the particular objection to such rule, ruling, or decision, or either or all of them, in a district court of Travis County, Texas, and not elsewhere, against the State Board of Insurance as a defendant. Said action shall have precedence over all other causes on the docket of a different nature. Said appeal shall be filed within 20 days after the State Board of Insurance has entered an order. The decision of the State Board of Insurance shall not be enjoined or stayed except on application to such district court after notice to the State Board of Insurance. The proceedings on appeal shall be under the substantial evidence rule, and such appeal shall be taken to a district court in Travis County, Texas. Either party to said action may appeal to the appellate court having jurisdiction of said cause and said appeal shall at once be returnable to said appellate court having jurisdiction of said cause and said action so appealed shall have precedence in said

appellate court over all causes of a different character therein pending. The State Board of Insurance shall not be required to give any appeal bond in any cause arising hereunder.

Sec. 24. VIOLATION OF ACT. A person or an agent or an officer of a health maintenance organization who wilfully violates this Act or the rules promulgated pursuant to this Act or who knowingly makes a false statement with respect to a report or a statement required by this Act is guilty of a class B misdemeanor.

Sec. 25. CONFIDENTIALITY OF MEDICAL AND HEALTH INFORMATION. Any data or information pertaining to the diagnosis, treatment, or health of any enrollee or applicant obtained from such person or from any physician or provider by any health maintenance organization shall be held in confidence and shall not be disclosed to any person except to the extent that it may be necessary to carry out the purposes of this Act; or upon the express consent of the enrollee or applicant; or pursuant to a statute or court order for the production of evidence or to discovery therefor; or in the event of claim or litigation between such person and the health maintenance organization wherein such data or information is pertinent. The health maintenance organization shall be entitled to claim such statutory privilege against such disclosure which the physician or provider who furnishes such information to the health maintenance organization is entitled to claim.

Sec. 26. STATUTORY CONSTRUCTION IN RELATIONSHIP TO OTHER LAWS. (a) Except as otherwise provided in this Act, provisions of the insurance law and provisions of the group hospital service corporation laws shall not be applicable to any health maintenance organization granted a certificate of authority under this Act. This provision shall not apply to an insurance company or a group hospital service corporation licensed and regulated pursuant to the insurance laws or the group hospital service corporation laws of this state except with respect to its health maintenance organization's activities authorized and regulated pursuant to this Act.

(b) Solicitation of enrollees by health maintenance organizations granted a certificate of authority, or their representatives or agents, shall not be construed to violate any provision of law relating to solicitation or advertising by providers or physicians.

(c) Nothing in this Act shall be construed as permitting the practice of medicine as defined by the laws of this state. Nothing in this Act shall be construed to repeal, modify, or amend Section 3, Chapter 627, Acts of the 62nd Legislature, Regular Session, 1971, (Article 4505, Vernon's Texas Civil Statutes), and no health maintenance organization shall be exempt from same.

(d) The provision of factually accurate information regarding coverage, rates, location and hours of service, and names of affiliated institutions, physicians and providers by health maintenance organizations or its personnel to potential enrolled participants shall not be construed to be violative of any provision of law relating to solicitation or advertising by physicians or providers. Such information with respect to providers or physicians shall in no manner be contrary to or in conflict with any law or ethics regulating the practice of practitioners of any professional service rendered through or in connection with such providers or physicians.

(e) Any health maintenance organization authorized under this Act which contracts with a health facility or enters into an independent contractual arrangement with physicians or providers organized on a group practice or individual practice basis shall not by virtue of any contracts or arrangements, be deemed to have entered into a conspiracy in restraint of trade in violation of Sections 15.01 through 15.34 of the Business & Commerce Code.

(f) (1) This Act shall not be applicable to any person licensed to practice medicine in this state, nor to any professional association organized under the Texas Professional Association Act, as amended (Article 1528f, Vernon's Texas Civil Statutes), corporation organized and complying with Section 4, Chapter 627, Acts of the 62nd Legislature, Regular Session, 1971 (Article 4509a, Vernon's Texas Civil

Statutes), so long as that person, professional association, or nonprofit corporation is engaged in the delivery of health or medical care that is within the definition of the practice of medicine as defined in Section 2(k) of this Act.

(2) Any person, professional association, or nonprofit corporation referred to above, which shall employ or enter into a contractual arrangement with a provider or group of providers, to furnish basic health care services as defined in Section 2(a) of this Act, would be subject to the provisions of this Act, and shall be required to obtain a certificate of authority from the commissioner.

(3) Notwithstanding any other law, any person, professional association, or nonprofit corporation referred to above, which conducts activities permitted by law but which do not require a certificate of authority under this Act, and in the process contracts with one or more physicians, professional associations, or nonprofit corporations referred to above, shall not, by virtue of such contract or arrangement, be deemed to have entered into a conspiracy in restraint of trade in violation of Sections 15.01 through 15.34 of the Business & Commerce Code.

(4) Notwithstanding any other law, provisions of the insurance law and the provisions of the group hospital service corporation law shall not be applicable to the above persons, professional associations, or nonprofit corporations.

(g) (1) No health maintenance organization shall be exempt from any statute that provides for the regulation and certification of need of health care facility construction, expansion or other modification, or the institution of a health care service through the issuance of a certificate of need, if at the time of establishment of operation or during the course of operation of the health maintenance organization, it becomes subject to the provisions of that statute.

(2) If the proposed plan of operation of the health maintenance organization includes the provision of any facility and/or service that makes the health maintenance organization subject to the statute mentioned in Subdivision (1) of this subsection, the commissioner may not issue a certificate of authority until the commissioner has received a certified copy of the certificate of need granted to the health maintenance organization by the agency responsible for the issuance of the certificate of need.

Sec. 27. PUBLIC RECORD. All applications, filings, and reports required under this Act shall be treated as public documents, except that examination reports shall be considered confidential documents which may be released if, in the opinion of the commissioner, it is in the public interest.

Sec. 28. AUTHORITY TO CONTRACT. The commissioner or board, in carrying out their obligations under this Act, may contract with other state agencies or, after notice and hearing, with other qualified persons to make recommendations concerning the determinations to be made by the commissioner or board.

Sec. 29. PHYSICIAN-PATIENT RELATIONSHIP. This Act shall not be construed to:

(a) authorize any person, other than a duly licensed physician or practitioner of the healing arts, acting within the scope of his or her license, to engage, directly or indirectly, in the practice of medicine or any healing art, or

(b) authorize any person to regulate, interfere, or intervene in any manner in the practice of medicine or any healing art.

Sec. 30. OFFICERS AND EMPLOYEES BOND. Each health maintenance organization shall, by resolution adopted and entered on its minute book, a copy of which properly certified to by the president, secretary, or general manager shall be filed with the commissioner, designate therein some officer who shall be responsible in the handling of the funds of the health maintenance organization. Said health maintenance organization shall make and file for such officer a surety bond with a corporate surety company authorized to write surety bonds in this state, as surety, satisfactory and payable to the State Board of Insurance in the sum of not less than \$25,000 for the use and benefit of said corporation, which said bond shall obligate the principal and surety to pay such pecuniary loss as the health maintenance organization

shall sustain through acts of fraud, dishonesty, forgery, theft, embezzlement, wrongful abstraction, or willful misapplication on the part of such officer, either directly or alone or in connivance with others, while employed as such officer or exercising powers of such office. In lieu of any such bond, any such officer may deposit with the commissioner cash, or securities approved by the commissioner, which cash or securities shall be in the amount and subject to the same conditions as provided for in said bond.

In addition to the bond required in the preceding paragraph, each health maintenance organization shall procure for all other office employees, or other persons who may have access to any of its funds, separate bonds or blanket bonds with some surety licensed by the State Board of Insurance to do business in Texas, in an amount or amounts fixed by the commissioner with a minimum of \$1,000 and a maximum of \$10,000, satisfactory and payable to the commissioner for the use and benefit of the health maintenance organization obligating the principal and surety to pay each pecuniary loss as the health maintenance organization shall sustain through acts of fraud, dishonesty, forgery, theft, embezzlement, wrongful abstraction or willful misapplication on the part of such persons, either directly and alone, or in connivance with others. Successive recoveries on any of the bonds provided from this article may be had on such bonds until same are exhausted.

Sec. 31. INJUNCTIONS. When it appears to the commissioner that a health maintenance organization is violating or has violated this Act or any rule or regulation issued pursuant to this Act, the commissioner may bring suit in a district court of Travis County to enjoin the violation and for such other relief as the court may deem appropriate.

Sec. 32. FEES. Every organization subject to this chapter shall pay to the commissioner the following fees:

- (a) for filing a copy of its original application for certificate of authority or amendment thereto, \$250;
- (b) for filing each annual report pursuant to Section 10 of this Act, \$100;
- (c) the expenses of any examinations conducted pursuant to this Act; and
- (d) for every other filing required by this Act, \$25.

Sec. 33. TAXATION. (a) To defray the expense of carrying out the provisions of this Act, there shall be annually assessed and collected by the State of Texas, through the State Board of Insurance, from each corporation operating under this Act, in addition to all other taxes now imposed, or which may hereafter be imposed by law, a tax of one percent of all revenues received by such corporation in return for issuance of health maintenance certificates or contracts in this state, according to the reports made to the State Board of Insurance as required by law. Said taxes, when collected, shall be placed in a separate fund with the State Treasurer which shall be kept separate and apart from other funds and money in his hands, and shall be known as the Health Maintenance Organization Fund, said fund to be expended during the current and succeeding years, or so much thereof as may be necessary, in carrying out such provisions. Such expenditures shall not exceed in the aggregate the sum assessed and collected from such corporations; and should there be an unexpended balance at the end of any year, the State Board of Insurance shall reduce the assessment for the succeeding year so that the amount produced and paid into the State Treasury together with said unexpended balance in the treasury will be sufficient to pay all expenses of carrying out the provisions of this Act, which funds shall be paid out and filed by a majority of the State Board of Insurance when the comptroller shall issue warrants therefor. Any amount remaining in said fund at the end of any year shall be carried over and expended in accordance with the provisions of this article during the subsequent year or years. Provided, that no expenditures shall be made from said fund except under the authority of the legislature as set forth in the general appropriations bill.

(b) Each corporation complying with requirements of this Act shall on or before the first day of March of each year file its annual statement showing the gross amount

of revenues collected during the year ending December 31 preceding, and each such corporation if organized under the laws of this state shall pay an annual tax for the gross amounts of revenues collected for the issuance of health maintenance certificates or contracts in accordance with Article 7064a, Revised Civil Statutes of Texas, 1925, as amended; if such corporation is not organized under Texas laws, said corporation shall pay an annual tax for the gross amounts of revenues collected for the issuance of health maintenance certificates or contracts in accordance with Article 4769, Revised Civil Statutes of Texas, 1925, as amended.

Upon receipt of the sworn statement above provided, the State Board of Insurance shall certify to the State Treasurer the amount of taxes due by such corporation which shall be paid to the State Treasurer on or before March 15 following, and the State Treasurer shall issue his receipt therefor as evidence of the payment of such tax. Such taxes shall be for and on account of business transacted within this state during the calendar year ending December 31 in which such payments were collected, or for that portion of the year during which the corporation transacted business in this state.

(c) Each such corporation shall be subject to the provisions of Articles 7074 through 7078 of the Revised Civil Statutes of 1925, as amended.

Sec. 34. EFFECTIVE DATE. This Act shall take effect on the first day of December, 1975.

The amendment was read and was adopted.

Senator Gammage offered the following Committee Amendment to the bill:

Amend Senate Bill 180, by striking all above the enacting clause and substituting the following:

"A BILL TO BE ENTITLED

"AN ACT

"relating to the establishment, certification, organization and regulation of health maintenance organizations, as defined in this Act; providing penalties; and providing an effective date."

The amendment was read and was adopted.

On motion of Senator Gammage and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to engrossment.

SENATE BILL 180 ON THIRD READING

Senator Gammage moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 180** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 2.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Kothmann, Lombardino, Longoria, Mauzy, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Sherman, Snelson, Traeger and Williams.

Nays: Jones and McKnight.

Absent-excused: McKinnon and Schwartz.

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed.

RECORD OF VOTES

Senators McKnight and Jones asked to be recorded as voting "Nay" on the final passage of the bill.

SENATE BILL 126 ON SECOND READING

On motion of Senator Meier and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S.B. 126, A bill to be entitled An Act defining the term "marihuana"; amending Sections 1.02(17), of Chapter 429, Acts of the 63rd Legislature, Regular Session, 1973 (Article 4476-15, Vernon's Texas Civil Statutes); and declaring an emergency.

The bill was read second time and was passed to engrossment.

SENATE BILL 126 ON THIRD READING

Senator Meier moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 126** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Sherman, Snelson, Traeger and Williams.

Absent-excused: McKinnon and Schwartz.

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Sherman, Snelson, Traeger and Williams.

Absent-excused: McKinnon and Schwartz.

SENATE BILL 756 ON SECOND READING

On motion of Senator Creighton and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S.B. 756, A bill to be entitled An Act to supplement the appropriation of the Texas Motor Vehicle Commission; and declaring an emergency.

The bill was read second time.

Senator Creighton offered the following Committee Amendment to the bill:

Amend Section 1 of Senate Bill 756 by striking the words "Ten Thousand Dollars (\$10,000.00) and substituting in lieu thereof the words 'Six Thousand Eight Hundred Fifty Dollars (\$6,850.00).'

The amendment was read and was adopted.

On motion of Senator Creighton and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to engrossment.

SENATE BILL 756 ON THIRD READING

Senator Creighton moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 756** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Sherman, Snelson, Traeger and Williams.

Absent-excused: McKinnon and Schwartz.

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Sherman, Snelson, Traeger and Williams.

Absent-excused: McKinnon and Schwartz.

SENATE BILL 529 ON SECOND READING

On motion of Senator Traeger and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to engrossment:

S.B. 529, A bill to be entitled An Act relating to Dental Peer Review or Grievance Committees, defining such Committee or Committees; providing for the election of the membership of such Committees; limiting liability of members of such Committees; providing for disqualification of members under certain conditions; providing a severability clause and declaring an emergency.

The bill was read second time and was passed to engrossment.

SENATE BILL 529 ON THIRD READING

Senator Traeger moved that the Constitutional Rule and Senate Rule 68 requiring bills to be read on three several days be suspended and that **S.B. 529** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Sherman, Snelson, Traeger and Williams.

Absent-excused: McKinnon and Schwartz.

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 0.

Yeas: Adams, Aikin, Andujar, Braecklein, Brooks, Clower, Creighton, Doggett, Farabee, Gammage, Hance, Harrington, Harris, Jones, Kothmann, Lombardino, Longoria, Mauzy, McKnight, Meier, Mengden, Moore, Ogg, Patman, Santiesteban, Sherman, Snelson, Traeger and Williams.

Absent-excused: McKinnon and Schwartz.

HOUSE BILL ON FIRST READING

The following bill received from the House was read the first time and referred to the Committee indicated:

H.B. 768, To Committee on Human Resources.

MOTION TO PLACE SENATE BILL 986 ON SECOND READING

Senator Moore asked unanimous consent to suspend the regular order of business and take up **S.B. 986** for consideration at this time.

S.B. 986, A bill to be entitled An Act transferring all duties, powers, functions, responsibilities and authority of the Texas Amusement Machine Commission to the Comptroller of Public Accounts; abolishing the Texas Amusement Machine Commission; amending Article 13.17, Title 122A, Taxation-General, Revised Civil Statutes of Texas, 1925, as amended; repealing Article 4413 (41), Vernon's Texas Civil Statutes; providing an effective date and declaring an emergency.

There was objection.

Senator Moore then moved to suspend the regular order of business and take up **S.B. 986** for consideration at this time.

The motion was lost by the following vote (Not receiving two-thirds vote of Members present): Yeas 15, Nays 14.

Yeas: Aikin, Andujar, Creighton, Doggett, Farabee, Hance, Harris, Lombardino, McKnight, Meier, Mengden, Moore, Sherman, Snelson and Traeger.

Nays: Adams, Braecklein, Brooks, Clower, Gammage, Harrington, Jones, Kothmann, Longoria, Mauzy, Ogg, Patman, Santiesteban and Williams.

Absent-excused: McKinnon and Schwartz.

NOTICES OF INTENT

The following Notices of Intent were filed with the Secretary of the Senate:

Tuesday, April 8, 1975

C.S.S.B. 69 - Senator Moore
S.B. 104 - Senator Schwartz
C.S.S.B. 109 - Senator Mauzy
C.S.S.B. 110 - Senator Mauzy
S.B. 131 - Senator Meier
S.B. 179 - Senator Harrington
S.B. 193 - Senator Snelson
S.B. 196 - Senator Santiesteban
S.B. 228 - Senator Moore
S.B. 233 - Senator Meier
S.B. 241 - Senator Adams
C.S.S.B. 242 - Senator Adams
C.S.S.B. 244 - Senator Ogg
S.B. 247 - Senator Farabee
C.S.S.B. 250 - Senator Mauzy
S.B. 257 - Senator Mauzy
C.S.S.B. 262 - Senator Doggett
C.S.S.B. 270 - Senator Doggett
S.B. 309 - Senator Snelson
C.S.S.B. 319 - Senator Patman
C.S.S.B. 348 - Senator Braecklein
C.S.S.B. 397 - Senator Doggett
S.B. 405 - Senator Sherman
C.S.S.B. 415 - Senator Andujar
S.B. 459 - Senator Sherman
S.B. 469 - Senator Meier